Distribution of subsidies to service sector

914. DR. ASIM BALA: Will the Minster of FINANCE be pleased to state the pattern of allocation/distribution of subsidies with particular reference to the service sector in the country in comparison with countries like U.S.A., U.K., Sweden, France, Canada and other developed countries?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): Subsidies can be broadly classified into two categories, namely, explicit subsidies for which specific provisions are made in the Budget and implicit subsidies, which are in the nature of unrecovered costs of public services for which no specific provisions are made in the Budget. An amount of Rs. 10,395 crore was provided in the Central Budget for 1991-92 towards explicit subsidies of which 75.3 per cent was accounted for by food, fertiliser and export promotion, 14.4 per cent by debt relief to farmers and the remaining 10.3 per cent by subsidy on handloom cloth, interest subsidies etc. Subsidies provided for the service sector are mostly implicit in nature. The provision of subsidies n a country is mostly governed by factors, such as, its stage of economic development and social and economic considerations. Subsidies provided in our country are, therefore, not comparable with those provided in developed countries.

Visit of Russian Delegation

915. DR. ASIM BALA:
SHRIMATI DILKUMARI BHANDARI:

Will the Minister of COMMERCE be pleased to state:

(a) whether a high power power Russian Delegation has visited India recently;

(b) if so, the details thereof;

(c) whether discussions on bilateral trade and problems of rupee rouble ratio were held;

(d) if so, the details and the outcome thereof; and

(e) the difference between the earlier trade agreement with erstwhile USSR and the agreement signed with Russia new?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (d). Yes, Sir. During this visit a Trade Protocol for the calendar 1992 has been concluded. A Trade Agreement between the two countries has also been initialted. Matters relating to the Rouble Rupee rate were however not discussed.

(e) In contrast to past Indo-Soviet Trade Protocols, the Indo-Russian Protocol for 1992 provides for Rupee Trade while also permitting transactions by way of counter-trade, barter, payments in freely convertible currency or any other internationally recognized form of business co-operation. Under the terms of the Protocol all trade transactions shall be denominated in freely convertible international currencies. The Protocol is intended to provide a transitional arrangement for trade and commercial transactions.

Directions to Government offices and Defence to purchase from National Textile Corporation

916. SHRI MOHAN RAWALE: Will the Minister of TEXTILES be pleased to state:

(a) whether the Government propose to issue directions to all Government offices through out the country, including Army, Navy and Air Force to purchase all their requirements of cloth only from National Textile Corporation;